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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 11//07

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(2) Diet must exercise its special investigation powers to have Nukaga give sworn testimony

Mainichi:

(1) Former vice defense minister nabbed: Whole picture of corruption involving Defense Ministry must be uncovered
(2) Middle East Peace process: U.S. must serve as mediator in responsible manner

Yomiuri:

(1) Paying for golf judged tantamount to bribery
(2) New antiterrorism legislation must be discussed earnestly in Upper House

Nikkei:

(1) How could bribe-taker become vice defense minister?
(2) Japan-Vietnam EPA talks must be accelerated

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Akahata:

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, November 28

NIKKEI (Page 2) (Full)
November 29, 2007

09:00

Met at Kantei with Deputy Chief Cabinet Secretary Iwaki.

10:01

Attended Upper House plenary session.

11:58

Attended convention of the National Association of Towns and Villages.

13:21

Met at Kantei with Special Advisor Nakayama.

14:01

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Met at Defense Ministry with Defense Minister Ishiba and other officials. Attended meeting of senior SDF officials.

14:44

Met at Kantei with Deputy Chief Cabinet Secretary Futahashi.

15:00

Met with Rengo Chairman Takagi, joined by Labor Minister Masuzoe and Chief Cabinet Secretary Machimura.

15:56

Met with Lower House member Takeshi Noda.

16:30

Met with Internal Affairs Minister Masuda and Decentralization Reform Promotion Committee Secretary General Miyawaki.

17:17

Attended meeting of Science and Technology Council.

18:55

Dined with deputy chief cabinet secretaries Ono and Futahashi at Japanese restaurant Yamazato in Okura Hotel.

22:17

Returned to his private residence in Ozawa.

4) Tokyo public prosecutors arrest former Administrative Vice Defense Minister Moriya; Moriya admits in general to taking bribes; Defense Ministry to be searched possibly today

MAINICHI (Top Play) (Excerpts)
November 29, 2007

The special investigation squad of the Tokyo District Public Prosecutors Office on Nov. 28 arrested former Administrative Vice Defense Ministry Takemasa Moriya (63) and his wife Sachiko (56) for doing favors for Motonobu Miyazaki (69), former executive director of Yamada Yoko, a trading house specializing in military procurement, over procurement of defense equipment in return for being treated to golf outings. They also rearrested Miyazaki on suspicion of offering bribes. The suspicion of a big-name vice minister, who was called the "emperor of the Defense Ministry," having been entertained by the company has developed into a bribery case. The special investigation squad will search the Defense Ministry as early as today with the aim of shedding light on the full picture of collusive ties between a bureaucrat and a business leader.

According to the investigations, Moriya is suspected of accepting, in conspiracy with his wife Sachiko, 12 golf outings to Hokkaido and

Kyushu worth approximately 3.89 million yen during his tenure as administrative vice defense minister from August 2003 through May 2006 in return for doing business favors for Miyazaki over the procurement of defense equipment. Public prosecutors have judged his wife Sachiko can be charged as an accomplice. Moriya has reportedly admitted in general to the charges.

5) Trust in Japan's defense will be lost, says Prime Minister Fukuda

MAINICHI (Page 1) (Full)

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November 29, 2007

Commenting on the arrest of former Administrative Vice Defense Minister Takemasa Moriya, Prime Minister Yasuo Fukuda yesterday told reporters at the Prime Minister's Official Residence, "I think that something regrettable has happened. It is extremely regrettable that Japan's defense will lose public trust because of this incident."

Regarding a possible impact of the incident on Diet deliberations on the new antiterror special measures bill, he noted, "The incident must not affect Diet deliberations on the bill. It may be difficult to leave the incident aside. However, I hope to see appropriate deliberations on the bill."

6) Ruling parties shaken by arrest of former Administrative Vice Defense Minister Moriya, fearing possible spillover effect: Diet deliberations on new antiterror special measures bill bound to be affected

SANKEI (Page 3) (Excerpts)
November 29, 2007

Former Administrative Vice Defense Minister Takemasa Moriya, who had long led the nation's defense policy as an influential Defense Ministry official, was arrested on Nov. 28, when the Upper House started deliberating on the new antiterror special measures bill, shaking the government and the ruling camp. On the other hand, a number of opposition party members called for shedding light on the scandal involving the Defense Ministry with Democratic Party of Japan (DPJ or Minshuto) Secretary General Yukio Hatoyama noting, "I want the arm of the law to investigate the full picture of defense-related interests. I want it to determine whether there was the involvement of maneuverings by political circles." Since opposition parties are getting a boost from the development of the matter, Diet deliberations on the bill are bound to be affected.

The government and the ruling parties are frantic about minimizing the impact of Moriya's arrest with Chief Cabinet Secretary Nobutaka Machimura saying, "The matter may be ascribable to his personal problem." Prime Minister Yasuo Fukuda on the evening of the same day told reporters, "It is extremely regrettable and lamentable if the public loses trust in defense because of this incident. This kind of thing must not happen." Referring to the new antiterror bill, he stressed, "Be that as it may, I want lawmakers to properly deliberate on the bill."

Machimura during a press conference also indicated his intention to speed up efforts to strengthen disciplines in the Defense Ministry, saying, "The arrest of Mr. Moriya has greatly ruined defense administration's credibility. It is extremely regrettable."

Liberal Democratic Party Secretary General Bunmei Ibuki noted, "Suspicious politicians should undergo scrutiny by the arm of the law. However, that must not prevent discussions on a resumption of the refueling operations in the Indian Ocean." He thus took a precaution against opposition parties launching an offensive over the new antiterror bill. "If a name of a lawmaker belonging to the ruling camp surfaces, the ruling camp will be forced to manage the Diet in a manner of solely defending its position, dealing a further blow to the Fukuda cabinet."

Finance Minister Fukushima Nukaga, who is being pursued by the DPJ

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as having attended at a wining and dining session with Moriya and Motonobu Miyazaki, former executive Director of Yamada Yoko, a trading house specializing in military procurement, on the evening of the same day told reporters, "I have worked with Mr. Moriya. It is regrettable that he was arrested. I hope the arm of the law will shed light on factual situations."

7) Government, ruling coalition concerned that arrest of former Vice Defense Minister Moriya may have adverse impact on deliberations on new antiterrorism bill; Chief Cabinet Secretary Machimura: "That's a separate issue"

NIKKEI (Page 2) (Excerpts)
November 29, 2007

A series of scandals involving the Defense Agency that led to the arrest of former top defense bureaucrat Takemasa Moriya yesterday have shocked and shaken the government and ruling parties. With the Dec. 15 closing of the extended Diet session approaching, the government and ruling coalition intend to keep to a minimum the negative impact of the arrest on deliberations on a bill to resume the Maritime Self-Defense Force's refueling activities in the Indian Ocean.

In response to questions by the press at the Prime Minister's Official Residence, Prime Minister Yasuo Fukuda said last night: "It is extremely regrettable that we have lost public confidence in Japan's national defense. We must prevent (the arrest) from having an adverse impact on deliberations" on the new antiterrorism bill.

The government will hold a first meeting of experts on reform of the Defense Ministry as early as Dec. 3 to study corrective measures. Fukuda stressed: "We must push forward with reform of the Defense Ministry. I want the experts panel to come up with rules for procurement of defense equipment." In a meeting of senior Self-Defense Forces officials held at the Defense Ministry, he ordered to tighten the ministry's ethics code.

Liberal Democratic Party (LDP) Diet Affairs Committee Chairman Tadamori Oshima asserted in the meeting: "Moriya has now been brought to justice. Deliberations on the bill must be carried out." Chief Cabinet Secretary Nobutaka Machimura also emphasized: "I think that's his personal problem. The MSDF refueling operation is a separate issue."

Following Moriya's arrest, the opposition camp intends to seek further cautious deliberations in the Diet. Democratic Party of Japan (DPJ or Minshuto) Upper House Diet Affairs Committee Chairman Susumu Yanase stated in a press conference on time for deliberations in the House of Councillors:

"Since there remain collusion scandals involving former defense chief Fumio Kyuma and Finance Minister Fukushiro Kyuma, it is natural for the Upper House to demand more time (for deliberations) than the Lower House."

8) Opposition camp: Testimony by Nukaga to be held "as planned"; DPJ to propose today hearing from arrested Moriya

NIKKEI (Page 2) (Excerpts)
November 29, 2007

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In the wake of the arrest of former Vice Defense Minister Takemasa Moriya, the opposition camp will heighten its pursuit of allegations about the procurement of defense equipment, including General Electric engines for the Air Self-Defense Force's next generation CX aircraft. It intends to summon Finance Minister Fukushiro Nukaga to testify as a witness before the Upper House Financial Affairs

Committee on Dec. 3 as scheduled. It will do its best to shed light on the collusive ties between politicians, bureaucrats and business leaders, by also seeking a hearing from Moriya.

Yukio Hatoyama, secretary general of the largest opposition Democratic Party of Japan, told reporters yesterday: "We want prosecutors to shed light on the issue of defense vested interests. In particular, we want them to find out whether there was collusive relationship between the politicians, bureaucrats and business leaders." Japanese Communist Party Diet Affairs Committee Chairman Keiji Kokuta said: "We want to put all our efforts into shedding light on vested interests connected with Japan-U.S. military relations."

9) Prime Minister Fukuda plans reform of defense procurement system

ASAHI (Page 4) (Excerpt)
November 29, 2007

Prime Minister Fukuda yesterday responded to the arrest of former Administrative Vice Minister for Defense Moriya with this statement: "It is extremely regrettable and lamentable that the public's confidence in Japan's defense has been lost. We must go ahead with reform of the Defense Ministry, and I want to see thorough discussion of this in the reform council." He indicated he was thinking of having the Council of Knowledgeable Persons on Defense Reform, which was established in the Prime Minister's Official Residence, study such matters as creating new rules for defense equipment procurement.

10) Censure motion against prime minister "could trigger" a dissolution of the Lower House

SANKEI (Page 5) (Full)
November 29, 2007

The ruling Liberal Democratic Party's (LDP) Secretary General Bunmei Ibuki mentioned a possible timing for a dissolution of the Lower House for a snap general election in a speech in Tokyo's Higashi Shimbashi yesterday and indicated that the prime minister could decide to dissolve the Lower House at a time when a censure motion against the prime minister is submitted to the Diet in connection with a government-sponsored new antiterrorism special measures bill, noting, "Submitting a censure motion against the prime minister could trigger a dissolution of the Lower House." Criticizing the major opposition Democratic Party of Japan (DPJ) and other opposition parties for their confrontational attitude toward the new antiterrorism bill, Ibuki declared: "If the DPJ submits a censure motion, the prime minister may think it a wise policy to seek the judgment of the public, or he may think it would be better to get a confidence motion adopted in the Lower House."

11) DPJ's bill to withdraw ASDF from Iraq, passed by Upper House, will have little effect; Likelihood of being killed in the Lower House

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TOKYO SHIMBUN (Page 2) (Excerpt)
November 29, 2007

In a plenary session yesterday, the House of Councillors began deliberations on the government's Antiterrorism Special Measures Bill. At the same time, the special measures bill submitted by the opposition Democratic Party of Japan (DPJ or Minshuto) passed the Upper House by a majority vote of opposition parties and was sent to the House of Representatives. The bill will not be deliberated on in the Lower House, and it will most likely be scrapped there.

12) Ruling, opposition camps agree to disclose all receipts for expenditures and to allow politicians to keep receipts for every item costing less than 10,000 yen

MAINICHI (Page 1) (Slightly abridged)
November 29, 2007

The ruling and opposition parties held a meeting yesterday of their officials in charge of revising the Political Fund Control Law in the Diet building. The meeting generally reached an agreement that political organizations having close ties with politicians and candidates would be required to disclose all receipts for expenditures, excluding labor costs. The ruling and opposition camps plan to set up a third organization to create rules for filling out a political fund report, aiming at revising the law during the current extended Diet session. All political parties took part in yesterday's working-level meeting, but the Japanese Communist Party opposed the idea of forming the third panel.

Since the Political Fund Control Law, which was revised in the latest regular Diet session, requires all political organizations to attach to their political fund reports the copies of receipts for every item costing 50,000 yen or more (excepting personnel expenses), the receipts are disclosed on a request basis.

The agreement reached yesterday requires political fund-management organizations to attach to their fund reports receipts for expenditures of 10,000 yen or more and to keep receipts for every item costing less than 10,000 yen. The ruling and opposition parties will continue to discuss whether to put certain conditions on requests to open receipts of expenditures of less than 10,000 yen.

Organizations subject to reporting reports included: 1) fund-management and political organizations headed by Diet members and candidates; 2) political party's election district chapters; and political organizations supporting specific lawmakers. As the Democratic Party of Japan has called for requiring the prefectural governors in, the ruling and opposition camps intend to increase the subjected organizations by revising the law every three years.

13) U.S. to work on N. Korea for better ties with Japan: Hill

NIKKEI (Page 2) (Full)
November 29, 2007

Foreign Ministry Asian and Oceanian Affairs Bureau Director General Kenichiro Sasae and U.S. Assistant Secretary of State Hill, who represent Japan and the United States respectively in the six-party talks on the North Korean nuclear issue, met yesterday at the Foreign Ministry. "I'm always telling North Korea that there will be something they can get as a result of promoting talks with Japan,"

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Hill told reporters about Japan-North Korea relations after meeting Sasae. With this, Hill indicated that the United States would continue to work on North Korea for progress in relations with Japan, including the issue of Japanese nationals abducted to North Korea.

14) Japanese and American key negotiators in six-party talks emphasize importance of DPRK's declaration of its nuclear programs

SANKEI (Page 5) (Full)
November 29, 2007

Japan's chief representative to the six-party talks to discuss the North Korean nuclear issue, Kenichiro Sasae, director-general of the Foreign Ministry's Asian and Oceanian Affairs Bureau, late yesterday met with visiting U.S. chief representative to the six-party talks, Christopher Hill, assistant secretary of state, at the ministry. In the session, both negotiators, envisioning the ongoing arrangements to set a meeting of the six-party chief negotiators at Dec. 6-8, shared the perception that it would be important for North Korea to declare its nuclear programs.

After the session, Sasae spoke of the question of whether the United States would remove North Korea from the list of states sponsoring terrorism and noted: "Based on what was fully discussed between the top leaders of Japan and the U.S. during their recent summit, we will confirm the results of their discussion and work in close cooperation."

15) Japan, U.S. confirm team efforts to make DPRK nuclear-free

YOMIURI (Page 2) (Full)
November 29, 2007

Japan's chief representative to the six-party talks on the North Korean nuclear issue, Kenichiro Sasae, director-general of the Japanese Foreign Ministry's Asian and Oceanian Affairs Bureau, late yesterday met at the ministry with U.S. Assistant Secretary of State Christopher Hill, the U.S. envoy to the six-party talks. Both officials confirmed that Japan and the U.S. would work in closer cooperation in order to move the process of denuclearizing North Korea forward.

After the session, Hill indicated his plan to travel to North Korea from Dec. 3 and have a final-stage discussion with North Korean Vice Foreign Minister Kim Gye Gwan, North Korea's envoy to the six-party talks.

16) "There is no military cooperation with North Korea," says Iranian president in interview

YOMIURI (Page 1) (Full)
November 29, 2007

Takehito Kudo, Teheran

Iranian President Mahmoud Ahmadinejad gave on Nov. 28 an interview to some Japanese media, including Yomiuri Shimbun, at the presidential office in Teheran. It was his first interview with the Japanese media since taking office in August 2005.

The president brushed aside the notion that Iran has a cooperative

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relationship with North Korea in developing ballistic missiles, saying, "Iran has not cooperated (with North Korea) militarily." He also noted this about the bilateral relationship with North Korea, "Iran is trying to establish friendly relations with all countries but Israel." This expression has often been used by key Iranian officials when asked about an outlook on the relationship with the United States. The president's use of a similar expression in describing Iran's traditionally friendly relationship with the North might reflect his consideration for the international community's concern over Teheran's close relationship with Pyongyang.

President Ahmadinejad also emphasized that Iran's nuclear program was strictly for peaceful purposes, saying, "We have no intention of developing nuclear weapons." At the same time, the president once again rejected the international community's call to suspend the uranium enrichment program, remarking, "We have been pursuing nuclear development in a legal manner." Regarding chances for the UN Security Council to impose third sanctions against Iran, the president also aggressively said, "The nuclear issue is over. It will not impose (sanctions) on our country," adding that Iran's cooperation with the International Atomic Energy Agency (IAEA) has been highly praised by IAEA Director General Mohamed ElBaradei.

The Iranian president also harshly criticized the United States regarding the Middle East peace conference held on Nov. 27 at Annapolis, remarking: "It is hardly possible for a country that sells weapons worth hundreds of millions of dollars to the Palestinians' enemy (Israel) to successfully guide the region (to peace). It is destined to fail."

The president also expressed hope that Japan will take independent measures regarding Iran's nuclear issue and other matters, saying, "We would like to have good relations with Japan in the fields of culture and politics," in addition to the economic front.

17) Japan, China to speed up defense exchanges

NIKKEI (Page 2) (Full)
November 29, 2007

Shenzhen, a Chinese missile destroyer of the Luhai class, arrived yesterday in Japan. She is the first Chinese naval vessel to visit Japan. Defense Minister Shigeru Ishiba plans to send a destroyer of the Maritime Self-Defense Force to China next year. Takashi Saito, chief of the Joint Staff Office of the Self-Defense Forces, is also planning to visit China in February next year. Japan and China are now likely to accelerate defense exchanges.

"The Shenzhen took not only the 345 sailors but also many other things on board, such as the friendly feelings and peace wishes of China's 1.3 billion people," Rear Adm. Xiao Xinnian, the commanding officer, stated in a welcome ceremony at Tokyo's Harumi pier. MSDF Chief of Staff Eiji Yoshikawa echoed the mood for friendship, saying, "I believe your visit will lead to strengthening the relationship of mutual trust between our two nations and promoting the friendship and goodwill in our bilateral relations."

18) Chinese warship's Japan visit aimed at easing fears of China as a threat

MAINICHI (Page 2) (Full)
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Joji Uramatsu, Beijing

The Liberation Army Daily, a newspaper published for the People's Liberation Army of China, carried a naval brass officer's commentary in its Nov. 25 issue about the first visit to Japan of the Shenzhen, a missile destroyer of China's navy. "The two countries (Japan and China) understood the importance of building a relationship of mutual trust in the defense area," Zhang Leiyu, deputy chief of staff of China's navy says in his commentary. "And," Leiyu continues, "the visit is an outcome of this understanding."

China started its naval visits to foreign countries in the mid-1980s when its reform and opening-up policy began in earnest. Chinese warships have already visited 37 countries, including European nations, the United States, and South Korea. Their ocean voyages and foreign visits can be taken as a milestone for a modern navy.

In 1992, however, China established a territorial water law to claim territorial rights to the Spratly Islands and other areas (of the East China Sea). In 1996, China conducted missile tests in waters near Taiwan. Currently, China's defense spending continues its double-digit year-on-year growth for the 19th straight year. Meanwhile, its neighbors are increasingly concerned about China's military power. For this reason, the port calls of Chinese warships have strong implications as "diplomatic means to ease fears of China as a threat," according to a diplomatic source. China is believed to be making an appeal at home and abroad on its first naval visit to Japan. In China, public opinion toward Japan is still harsh. In order to soften it, China will need to emphasize the importance of defense exchanges.

No need for concern about military spending growth: commander

Rear Adm. Xiao Xinnian, the Shenzhen's commanding officer, met the press aboard at Tokyo's Harumi Pier, where the Chinese warship docked upon arrival. In Japan, there are concerns about the rapid growth of China's military spending. "China's military strategy is defensive," Xinnian said. "And," he added, "there should be no concerns about our military modernization."

With the Shenzhen's first port call in Japan as an opportunity, Japan and China will step up their mutual defense exchanges. Joint Staff Office Chief Takashi Saito, the top brass officer of the Self-Defense Forces, is now arranging to visit China in February next year. In addition, the two countries are also expected to launch a bilateral working team in order to lay a hotline between their defense ministers.

19) DPJ Vice President Maehara criticizes President Ozawa's "UN

resolution-centrism"

SANKEI (Page 5) (Full)
November 29, 2007

The major opposition Democratic Party of Japan's (DPJ) Vice President Seiji Maehara criticized his party's President Ichiro Ozawa for his "United Nations resolution-centrism" in a discussion hosted by his party's legislators and held in Tokyo yesterday. Maehara argued: "If (the Self-Defense Forces (SDF)) are allowed to do anything abroad as long as their activities are based on a UN resolution, Japan can't defend its national interests and security."

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Maehara continued: "In the event of contingencies involving North Korea or the Taiwan Strait, China, (which is a permanent UN Security Council member), will definitely not approve any UN resolution in this regard. Such contingencies would directly affect Japan's national security, but should Japan adhere strictly to a UN resolution, Japan can't do anything."

SCHIEFFER